



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



IN REPLY REFER TO:

3452

UTU-28297

SUFCO LMU

(UT-9223)

DEC 15 2011

RECEIVED

DEC 19 2011

DIV. OF OIL, GAS & MINING

CERTIFIED MAIL – 7011 1150 0000 6739 5268

Return Receipt Requested

DECISION

Canyon Fuel Company, LLC	:	Coal Lease
c/o Ark Land Company	:	UTU-28297
City Place One, Suite 300	:	
St. Louis, MO 63141	:	

Coal Lease Partial Relinquishment Accepted

On April 6, 2009, a partial relinquishment of the above noted federal coal lease was filed in this office by Canyon Fuel Company, LLC.

The partial relinquishment of this lease is approved as of the date of filing. The relinquished lands are subject to the continued obligation of the lessee to make payment of all accrued rentals and royalties and to complete the reclamation of the leased lands.

The relinquished and retained lands are described as follows:

Coal lease UTU-28297:

Relinquished Lands

T. 21 S., R. 5 E., SLM, Utah

Sec. 32, lots 2-4;

Sec. 33, lot 1.

T. 22 S., R. 5 E., SLM, Utah

Sec. 4, lot 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$;

Sec. 5, E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$;

Sec. 7, E $\frac{1}{2}$ SE $\frac{1}{4}$;

Sec. 8, S $\frac{1}{2}$, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$;

Sec. 17, NE $\frac{1}{4}$, N $\frac{1}{2}$ NW $\frac{1}{4}$;

Sec. 18, NE $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$.

Containing 1,915.47 acres

Retained Lands

T. 21 S., R. 5 E., SLM, Utah

Sec. 32, lot 1, N $\frac{1}{2}$ S $\frac{1}{2}$;

Sec. 33, NW $\frac{1}{4}$ SW $\frac{1}{4}$.

T. 22 S., R. 5 E., SLM, Utah

Sec. 5, all;

Sec. 7, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$;

Sec. 8, N $\frac{1}{2}$, SW $\frac{1}{4}$.

Containing 716.51 acres*

Note* that the remaining acreage in this lease may be changed at a later date due to an Amended Protraction Diagram No. 24 which was accepted effective May 19, 2000 and a still pending survey of sections 5, 7, and 8.

When this lease was issued in January of 1979, the lands described in the lease were based on a skeleton survey as allowed in the regulation in 43 CFR 3471.1-2 (Portions of sections 5, 7, 8 and 18 have not been surveyed). Therefore, the calculated acreage remaining in this lease and the acreage of the relinquished lands are based on the skeleton survey and the plat acreage in existence at the time of issuance of the lease.

The SUFCO Logical Mining Unit (LMU), UTU-73341, must be modified to exclude the relinquished acreage from the existing LMU (43 CFR 3487.1(h). The modification of an LMU requires a case-by-case processing fee. The following actions will be addressed in this LMU modification:

LMU Action	Effective Date	LMU Acres Relinquished(-) or added(+)	LMU Reserves removed/mined(-) or added(+)(tons)	LMU Reserves remaining (tons)
Partial Relinquishment UTU-28297	4/6/2009	-1,957.47	-4,697,320	3,503,402
Remove Fee	11/2011	-640.00	-4,591,190	0
Partial Relinquishment UTU-63214	5/26/2011	-1869.12	0 (no mining in relinquished acres)	(total shown in lease modification line below)
Lease Modification SL-062583	12/1/2009	+880.00		(a) 24,908,306
Lease Modification UTU-47080	12/1/2009	+795.68		(a) 20,152,248
Lease Modification UTU-63214	12/1/2009	+640.00		(a) 88,234,391
Partial Relinquishment UTU-76195	12/20/2006	-1,477.00	0 (no mining in relinquished acres)	41,678,656

Note: (a) Total LMU Reserves remaining from new R2P2 which trued up the full lease including lease modification areas.

The BLM requests that Canyon Fuels submit a current LMU map so that any discrepancies between Canyon Fuels records and the BLM records can be resolved during this process.

A BLM cost estimate to process the LMU modification is enclosed pursuant to 43 CFR 3473.2(e). If you agree with the fee, please send a check for the estimated amount to the BLM. If you wish to provide comments on the estimated fee, you have 30 days to provide comments and the BLM will review your comments and make any adjustments as necessary. After the 30-day comment period is over, the BLM will mail you a final fee estimate accompanied with a bill. Payment is due within 30 days after receipt of the bill.

The BLM will bill for the entire amount. If in processing the application we encounter higher costs than anticipated, we will provide a revised estimate but processing will not stop. If the final bill is less than estimated then the BLM will refund any unused funds.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days after receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (pursuant to regulation 43 CFR 4.21)(58 FR 4939, January 19, 1993)(request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success on the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay

Copies of the notice of appeal, petition for stay, and statement of reasons also must be submitted to each party named in this decision and to the Office of the Regional Solicitor, Intermountain Region, 125 South State Street, Suite 6201, Salt Lake City, Utah 84138, at the same time the original documents are filed in this office.


ACTING Juan Palma
State Director

Enclosure
Cost Recovery Worksheet

cc:

Mr. Ken May, SUFCO Mine; Canyon Fuel Company, LLC, 397 South 800 West,
Salina, UT 84654

Resource Development Coordinating Committee, ATTN: Mineral Leasing Taskforce,
116 State Capital Building, Salt Lake City, Utah 84114

Manti LaSal National Forest

ONRR, ACM, Solid Minerals Staff, Attn: LeeAnn Martin, MS62300B, Box 25165,
Denver, CO 80225-0165

Price Field Office (Attn: Steve Rigby)

Mr. John Baza, Director, UDOGM, Box 145801, Salt Lake City, Utah 84114-5801

Christina Garcia, Forest Service, Southwest Region, Minerals and Geology, National Operations,
333 Broadway, SE, Albuquerque, NM 87102

INITIAL
FEE ESTIMATE FOR CASE – BY – CASE PROCESSING
Energy & Mineral Resources Cost Recovery